December 6, 2001

By Electronic Filing

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: EX PARTE -- CC Docket No. 01-277: Application by BellSouth for Authorization to Provide InterLATA Services in Georgia and Louisiana

Dear Ms. Salas:

None of the claims made by BellSouth in its reply testimony or lengthy ex parte submissions in this proceeding alter what WorldCom has repeatedly explained – and what the Department of Justice has found – BellSouth's Operational Support Systems ("OSS") do not yet provide competitive local exchange carriers ("CLECs") a meaningful opportunity to compete. The multitude of problems that continue to persist with BellSouth's OSS far exceed in the aggregate the level that has existed in any section 271 application approved by the Commission. As WorldCom emphasized in its initial and reply comments, and further discusses below, these problems significantly drain CLEC resources and harm CLEC customers.

Change Management/CLEC Assistance

Change Management is critical for CLECs. Without a change management process that enables CLECs to obtain needed changes, allows them effectively to test that changes work and that the changes do not cause downstream difficulties (including rejects), and ensures rapid repair of any defects that are introduced by changes, CLECs lose their ability to effectively compete. BellSouth lacks such a process. BellSouth largely ignores CLEC input on what changes are required, does not perform effective initial release testing to weed out defects in new releases, fails to provide notice to CLECs of many key changes, and excludes key functions, such as billing, from the change management process altogether.

In all of its verbiage defending its change management record, BellSouth fails to take issue with a number of basic points: (1) change requests often take many months or even years before BellSouth even presents them to CLECs to be prioritized; (2) once change requests are prioritized they take many months or years before they are implemented; (3) BellSouth considers billing outside the scope of the change management process; and (4) BellSouth considers many requests to be non-CLEC impacting and thus provides no notice of them to CLECs.

BellSouth admits that many changes are implemented outside of the change request process, and that only a "share of the total available capacity of a release -- varying from release to release" is allocated to changes requested through the change management process. Stacy Reply Aff. ¶ 57. Because BellSouth implements many changes that are not part of the change

control process, few change requests made in change control are implemented.

BellSouth states that it has implemented as many CLEC-initiated changes as BellSouth-initiate changes, Stacy Reply Aff. ¶ 62, but, in fact, it has implemented far fewer CLEC-initiated than BellSouth-initiated changes as a percentage of the changes requested. Moreover, BellSouth does not include in its count all of the BellSouth-initiated changes that it implemented outside the scope of change control. BellSouth's own data also show that it takes far longer to implement a CLEC-initiated than a BellSouth-initiated change request. Stacy Reply Aff. ¶ 67.

More important than whether the implemented changes were initiated by BellSouth or CLECs is the fact that BellSouth has implemented very few change requests for additional functionality in total. Only 65 of the 248 change requests for additional functionality made by either CLECs or BellSouth have been implemented. Stacy Reply Aff. ¶ 67. And many of those change requests were not requests that were prioritized by CLECs. BellSouth often implements changes that have not been prioritized before implementing those that have been prioritized.

BellSouth apparently views the prioritization process as largely irrelevant in determining which requests it will choose to implement. Even after BellSouth has accepted a change, it often does not put the change on the list of requests that are to be prioritized. Lichtenberg, Desrosiers, Kinard & Cabe Decl. ("Lichtenberg Decl.") ¶ 129. And even prioritized changes are rarely implemented. Only 15 of the 65 change requests that have been prioritized have been implemented. Lichtenberg Decl. ¶ 130. Instead, BellSouth simply decides to implement other changes or no changes at all. The result is that in an industry where new functionality is often critically important, the functionality most needed by CLECs generally does not get implemented or is delayed for years. BellSouth says nothing about these problems.

Moreover, many CLEC requests get lost in change control well before the prioritization process even begins. BellSouth is supposed to accept or reject changes in 10 days. In many instances, BellSouth either rejects the changes or negotiates about the changes with CLECs. BellSouth claims that it must be able to reject changes that are not technically feasible. But, as WorldCom has shown, BellSouth often initially refuses to accept changes with little justification. Thus, while BellSouth asserts that change requests often remain in "new" status because CLECs refuse to cancel changes, the truth is that CLECs are often forced into protracted negotiation with BellSouth before it will accept a change – and sometimes they ultimately cancel requests because of BellSouth intransigence. Lichtenberg Decl. ¶¶ 128, 145.

BellSouth contends that its change management process must be acceptable because CLECs have not escalated issues with BellSouth's failure to implement change requests. However, escalation requires filing a complaint with the state commission – a burdensome process that is not workable for the hundreds of change requests lingering in the change control process. CLECs have not had to make complaints in other regions in order for changes to be implemented. Moreover, as BellSouth later points out, most of the software changes ordered by regulators are in response to requests by CLECs (Stacy Reply Aff. ¶ 57), so CLECs have in effect escalated these change requests. This burdensome process is the only way in which CLECs have been able to obtain necessary changes.

BellSouth proposes that in the future it will allocate 40% of its annual releases' capacity for implementing CLEC change requests and/or CLEC-driven mandates. BellSouth presented this proposal in the November 14 change management meeting. As CLECs indicated in the change management meeting, however, many more details are needed before CLECs can fully

assess the proposal. For example, according to BellSouth's November 29 ex parte, 40% of software capacity during 2001 was utilized to address CLEC requests. If this is correct, BellSouth's new proposal would not lead to any improvement. Indeed, BellSouth's latest filing suggests that only 5 CLEC changes would potentially be included in the first half of 2002 and does not say whether those changes would follow the CLEC prioritization process or would be subject to some sort of BellSouth "pick and choose" mandate.

And even if the 40% itself were a meaningful number, this would not guarantee implementation of important changes. The overall size of BellSouth's releases may be small. If 40% of those small releases are reserved for CLECs, the overall number of CLEC changes may remain small. In addition, BellSouth does not commit that those CLEC changes it does implement in the 40% will be those that have been prioritized highest by CLECs. Finally, it is difficult to assess in advance how BellSouth's proposal will work since, for example, the amount of space in each release available for CLEC requests for new functionality depends in part on how much space is needed to resolve defects. Part of the reason that BellSouth has implemented so few process improvements to date is that it has to take much of its release space to resolve defects in existing interfaces -- presumably as a result of inadequate testing and documentation before BellSouth implements the releases. If BellSouth continues to need substantial release space to resolve defects, it is difficult to see how it will fulfill its commitment to reserve 40% of release space for CLEC-initiated changes. Thus, although BellSouth's commitment is welcome, what is most important is a track record of implementation of prioritized changes. To date, BellSouth's failure to implement CLEC-requested changes has cause significant harm to CLECs as is evident, for example, from BellSouth's failure to implement key changes related to integration of interfaces, such as migration by telephone number and parsed CSRs, for years after CLECs requested them. In an industry characterized by rapid change, BellSouth must show that it is able to efficiently implement requests for additional functionality.

In addition, BellSouth must avoid harming CLECs when it does make changes. BellSouth must agree that billing is part of the change control process, and must agree to provide CLECs notice of all changes, not just those it considers to be CLEC-impacting. BellSouth still has not agreed, for example, to include its upcoming major Tapestry billing release in change management. The latest debacle with the initial implementation of migration by telephone number demonstrates the fallacy of BellSouth's view that it can decide when CLECs need to be notified of all of the details of a change. It also demonstrates the general difficulties of a process in which BellSouth's change management personnel and other personnel who assist CLECs are completely divorced from its Information Technology personnel.

BellSouth's own November 29 ex parte further confirms the problems caused by BellSouth's failure to adequately test its interfaces and failure to notify CLECs of changes.

BellSouth describes numerous changes it has made to its process of due date calculation – changes that it did not bother to convey to CLECs. As a result, CLECs did not know what due dates they could expect on their orders and whether they should submit trouble tickets pertaining to due date calculation.

WorldCom has not had these difficulties with other ILECs. As we have explained, Verizon, for example, has submitted all but one of the change requests in its region to the prioritization process, and has implemented nearly three times as many prioritized changes as BellSouth over the same time period. Lichtenberg Decl. ¶ 136. Verizon's IT personnel are in charge of the change management process. As with other OSS issues, BellSouth lags far behind

other BOCs.

BellSouth Lacks A Separate Test Environment

Despite its prior contention that CAVE is a separate test environment and its ongoing rhetoric to that effect, BellSouth now acknowledges that CAVE is connected to its production pre-ordering databases and to SOCs -- its ordering processor, which itself is connected to BellSouth's downstream provisioning systems. Stacy Aff. ¶ 102. And BellSouth admits that the reason it forces CLECs to use ficticious company and other codes is so that BellSouth can "separate production from test data." Stacy Aff. ¶ 106. Use of these codes creates difficulties for CLECs, is hardly a failsafe method of keeping production and test data separate, and seems to require additional manual processing of test orders by BellSouth, making tests in CAVE inadequate as a basis of assessing production readiness.

BellSouth claims that it has processed 100 test orders without any difficulty, but 100 orders is hardly a sufficient basis for concluding that BellSouth's safeguards are adequate. Indeed, the safeguards clearly are not adequate. On October 1, BellSouth re-flowed 1,521 messages related to production orders to WorldCom's test system.

BellSouth contends that it researched the 1,521 notifiers and that they were not transmitted to WorldCom's test system, that it informed WorldCom of this fact on October 3, and WorldCom never responded. Stacy Aff. ¶ 108. BellSouth again does not have its facts straight. WorldCom did respond to BellSouth. In its response, WorldCom explained that it was surprised that BellSouth could conduct its analysis of 1,521 notifiers in two days and that BellSouth should make sure that it checked the ISA control numbers. BellSouth replied that its research was thorough. In turn, WorldCom responded that it had its VAN provider research the matter and confirm that the production PONS were submitted into its test slot by BellSouth. WorldCom's subject matter expert concluded that, "[t]his issue is still open and I will not close this ticket until I get a better response that reflects what really happened in your test/production systems." See Att. 1 hereto (e-mails between BellSouth and WorldCom). BellSouth never responded.

The fact is that there is no doubt that BellSouth transmitted production notifiers into WorldCom's test slot. More than a thousand of the notifiers had WorldCom's test ID when they were returned, which would only occur if they were transmitted from BellSouth's test system. Because CAVE is connected to BellSouth's production systems there is a substantial risk of mixing production and test orders, harming production orders and precluding accurate testing.

CAVE is also inadequate for other reasons. During the testing WorldCom conducted in CAVE, BellSouth was unable to return FOCs, rejects, or completions in anywhere close to a timely manner on WorldCom's test orders. BellSouth does not even really claim to the contrary. It states that test cases were sent back "immediately or within 48 hours (48 hours is the standard response time for FOCs to be sent back to the issuer during test (sic) with the exception of test orders issued on Friday evening" (Stacy Reply Aff. ¶ 109 (emphasis added)). If the test environment truly mirrored the production environment, BellSouth would not require more time to return FOCs in CAVE than in production. Other ILECs, such as Verizon, do not have a different standard for return of notifiers during testing than they do during production. Because CAVE does not mirror the test environment, likely because BellSouth manually processes all test orders, CLECs cannot rely on it as a basis for testing releases and concluding they are adequate.

Without such testing, new releases will inevitably have defects on both BellSouth's side of the interface and on the CLECs' side. The high number of defects in each BellSouth release confirms this to be the case.

CAVE is also deficient as a test environment because, as BellSouth acknowledges, CAVE is unavailable for testing outside the period surrounding a release. (Stacy Reply Aff. ¶ 111). BellSouth contends it would not be efficient to make CAVE available all of the time. But other ILECs have not had this problem. Indeed, other ILECs have managed to create completely separate test environments, with no need for CLECs to employ special codes, and to make these environments available full time. Again BellSouth is unwilling to do what is now standard practice in the industry.

Parsed CSRs

BellSouth still does not provide parsed CSRs. Nor has BellSouth enabled CLECs to parse CSRs themselves. Indeed, BellSouth provides CSR information in concatenated format (a "blob" of information) that includes a string of programming data (C++ data). The information BellSouth returns cannot even be displayed by CLECs to their customers service representatives, much less used to pre-populate orders.

BellSouth states that it provides CSR data through TAG in a file in which "each line of the data is delimited." Stacy Reply Aff. ¶ 145. But that does not provide CLECs sufficient information to parse the data at the field level, which is necessary before that data can be populated on an order. And BellSouth does not point to any additional information it has provided to CLECs to enable them to parse the CSRs at the field level. The information provided in BellSouth's November 29 ex parte consists of a CSR Job Aid describing components of the CSR, and a Pre-Order to Firm Order Mapping Matrix from August 2001 that was not provided to WorldCom and that, in any event, does not contain delimiters and other information needed to parse the CSR at a field level. The information may help a CLEC manually review a CSR but does not help a CLEC to parse a CSR itself.

BellSouth states that it "believes" that CLECs nonetheless have succeeded in integrating their interfaces. BellSouth's claim is dubious at best. Stacy Aff. ¶149. One CLEC it has identified as integrating its interfaces is WorldCom, and WorldCom has not done so.[1] There is

[1]The only information WorldCom takes from the pre-order stage and uses to populate an order is address information – and this is obtained through the service address function, not the CSR. The service address function accesses the RSAG database from which information is provided in parsed format. However, even the integration of address information has not been entirely successful because BellSouth has continued to reject WorldCom orders for address errors, stating that the addresses on the orders do not match the CSR. BellSouth says that it explained to WorldCom on September 6 that it was only editing addresses against RSAG. Stacy Reply Aff. 127. This is true. But BellSouth also claimed that it would re-train its representatives so that they would not send rejects stating the address was invalid in the CSR. But months later, BellSouth continues to send such rejects. This demonstrates either the problems of manual processing or that BellSouth is editing addresses against the CSR. Moreover, the business rules for BellSouth's new migrate by TN release state that BellSouth will edit the street number transmitted by CLECs against both the CSR and RSAG. As explained

no reason to believe other CLECs have done so either. In its November 29 ex parte, BellSouth cites testimony from DeltaCom. That testimony provides no details of what pre-order functions DeltaCom claims to have integrated with ordering or even whether DeltaCom has integrated TAG pre-order with EDI ordering, as WorldCom would have to do. During the Texas section 271 proceedings, significantly more evidence was provided that integration was possible and had been achieved.

BellSouth also has apparently suggested that the address information that WorldCom has integrated from the address validation function is the only information that WorldCom needs to integrate. That is simply not so. To begin with, even the address information that BellSouth provides through the address validation function is not fully parsed. In particular, BellSouth's documentation shows that it returns the "Unit Number-Room." But Unit Number (for example, Apartment or Suite) and Room (for example 332 or 1b) are two separate fields that must be provided separately on an order and should be returned separately at the pre-order stage.

In addition to two specific address fields, BellSouth fails to return other vital information in parsed format. BellSouth does not return the customer name in parsed format, and WorldCom is therefore forced to type that information onto each order. WorldCom is receiving rejects as a result. Contrary to BellSouth's contention, BellSouth's Job Aid does not provide instructions on how to parse the End User Name. It does not even have a section on the End User Name. It does have a section on the Directory Name, but this is not the same as the End User Name, and, in any event the Job Aid does not describe how to parse the Directory Name.

Importantly, WorldCom also should be able to obtain the customer's current features and feature detail from the CSR, as well as the customer's blocking options. BellSouth presumes that because WorldCom places orders for features "as specified" that means that WorldCom does not need to obtain the customer's current features from the CSR but is solely responsible for providing this information itself. That is nonsense. For most WorldCom orders, the customer wishes to retain his or her current features. Because WorldCom cannot obtain those features from the CSR in parsed format, WorldCom must type each feature onto the order. WorldCom should be able to import the feature and feature detail information from the CSR. Moreover, even when a customer wishes to change one or two features, it would be far easier for WorldCom to pre-populate the customer's existing features from the CSR and then ask the customer which features she wished to continue to receive and which she wished to add.

At present, because of the way that BellSouth returns feature information on the CSR, WorldCom cannot even display that information to its representatives in a way that enables WorldCom representatives to discern what features the customer currently has. Thus, if the customer wishes to keep his current features, WorldCom representatives must ask the customer what features he currently has. The customer may well forget some features or blocking options and later be surprised to learn that he no longer has 900-976 blocking, for example. WorldCom should be able to obtain existing features and blocking options and pre-populate these on an order.

WorldCom should also be able to obtain directory listing and directory address

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below, even after implementation of migration by TN, therefore, BellSouth continues to reject orders because the street number does not match the CSR.

information in parsed format. BellSouth presumes that because WorldCom presently orders directory listing "as is" (ERL = Y) on migration orders that WorldCom does not need directory information in parsed format. That is incorrect. The reason that WorldCom orders directory listing "as is" rather than requesting any directory change requests on migration orders is that BellSouth does not provide directory listing information in parsed format. WorldCom has determined that attempting to type all directory information onto orders would likely lead to far too many rejects and vastly slow down the migration process. Thus, WorldCom is not permitting its customers to request directory changes on migration orders as a result of BellSouth's failure to provide parsed CSRs. Moreover, if the customer desires a directory listing change after the initial migration is complete, WorldCom must type all of the directory listing information onto the change order, significantly complicating WorldCom's efforts and also leading to a high number of rejects. WorldCom also must type this information onto a customer order for a second line even if the customer wishes to have the same directory listing as that on his primary line. WorldCom should be able to import the customer's current directory listing and address onto its orders and use that as a basis for requesting changes. For example, if the customer wishes to change her listing from Sherry Lichtenberg to S. Lichtenberg, WorldCom should be able to import all the current directory information and simply change the customer's first name.

Finally, WorldCom should be able to obtain hunting information in parsed format from the CSR. (Hunting is a feature that enables a call to roll from one phone number to a second, third or fourth number if the first number is busy.) Although WorldCom generally does not need this information for residential customers, it is critical information for small business customers. This information is absolutely necessary for WorldCom or other CLECs who may currently be contemplating entering the small business market using UNE-P in the near future.

The KPMG conclusions cited by BellSouth do not show that integration is possible. Those conclusions pertain to pre-order functions other than the CSR, such as due date queries. Moreover, KPMG merely states that information returned at the pre-order stage is compatible with the ordering stage, not that the information was parsed sufficiently to include on an order. Unlike KPMG's test in New York, KPMG does not appear to have attempted to build an integrated pre-order and order interface. And KPMG itself concluded that "the names and formats of the pre-order and order fields did not agree." BellSouth Nov. 29 ex parte Att. 14. Indeed, inconsistencies in pre-order and order formats provides a separate barrier to integration beyond BellSouth's failure to provide parsed information. For example, BellSouth returns up to 13 characters in the Service Address Number field through TAG pre-ordering but no more than 8 characters can be included on an order. It is not clear what the CLEC is supposed to do with the extra 5 characters.

As for BellSouth's claim that it will provide parsed CSRs in January, BellSouth acknowledges that it will not provide 19 agreed-upon fields in parsed format. Stacy Aff. ¶¶ 154-55. BellSouth states that some of these fields are not part of the CSR and some cannot be parsed. But all of these fields are used on either the inquiry or response pre-order CSR transactions. For example, the company code and inquiry number are codes that CLECs transmit on the CSR inquiry. BellSouth must send those codes back on the response transaction to establish the proper handshake between the companies; yet BellSouth's documentation does not say BellSouth will return this information. With other fields, BellSouth's claim that it is unable to return parsed information is inconsistent with what it told CLECs in the Fall of 2000. If BellSouth is unable to parse information on these fields, it should have informed CLECs of this

in January or February 2001, as it agreed to do (see Att. 7), instead of providing user requirements in September 2001 that differed substantially from what was agreed upon. Moreover, other ILECs have been able to parse these fields. And these fields are important. For example, BellSouth's planned implementation of parsed CSRs will not include end user name, unit number, or hunting information – the importance of which we have described above. Finally, we should note that as of today, BellSouth still has not provided complete documentation on its planned implementation of parsed CSRs, and, as a result, CLECs have been forced to request a delay in that implementation.

Migration by TN

Years after it was requested, BellSouth has finally implemented a process for CLECs to place migration orders based primarily on the customer's telephone number ("TN"). As WorldCom explained in its reply comments, BellSouth's implementation of migrate by TN functionality demonstrates the flaws in its change management process. The initial implementation led to an immediate doubling of rejects and BellSouth therefore had to change the process on November 17. Moreover, even today, the process still has significant glitches in part because BellSouth did not implement the functionality ordered by the Georgia Commission – migrate by name and telephone number but instead implemented a process in which migration is based on a customer's street address number (rather than name) and telephone number.

Because WorldCom wanted an effective process in place as soon as possible, it agreed to this deviation from the process ordered by the Georgia Commission. And, after the November 17 change, the process has somewhat reduced WorldCom's reject rate. But it has also led to a new problem. See Att. 2. WorldCom obtains the customer's street address number from RSAG and transmits that number on the order. But BellSouth's new business rules for migrate by TN require it to verify the street address number not only against its RSAG database but also against the CSR. If the street address number does not match both databases, BellSouth rejects the order. This is not an infrequent occurrence because the two databases sometimes do not match. When the two databases do not match, the order will always be rejected because it cannot match both databases. When this occurs, the CLEC has no way of correcting the rejected order because there is no way to make the address on the order match both back-end databases. BellSouth has not even explained a process by which CLECs can re-submit orders rejected for due to back-end database mismatches.

In its reply, BellSouth appears to claim that it has implemented migrate by name and telephone number – the process that Verizon uses. Stacy Aff. ¶ 200. Amazingly, BellSouth's affiant appears not to know that BellSouth refused to implement migration by name and telephone number and instead implemented a process in which a CLEC must transmit part of a customer's address, as well as the customer's telephone number. It is BellSouth's requirement that edits be based on part of the address – the street address number – that is leading to rejects associated with database mismatches.

Part of the confusion of BellSouth's affiant appears to be shared by BellSouth representatives at the LCSC. Although BellSouth has implemented a process by which it will edit orders against the customer's telephone number and street address number, not the customer's name, WorldCom continues to receive rejects for incorrect name. These rejects are invalid.

Thus, BellSouth's recent implementation of migration by TN remains – at best – a work in progress. The process is not working as it should.

Rejects

As explained in our reply comments, WorldCom's reject rate has remained extremely high – far higher than it is in other markets.

BellSouth responds that WorldCom does not understand how BellSouth calculates its reject rate. Stacy Aff. ¶ 262. To the contrary, WorldCom understands that BellSouth does not include what it terms "fatal rejects," in its calculation of its reject rate, and that this provides one possible explanation as to why BellSouth's calculation of WorldCom rejects (Stacy Aff. ¶ 263) is lower than WorldCom's calculation (although it does not appear that many of the rejects that WorldCom receives are fatal rejects). Lichtenberg Decl. ¶ 26 n.6. When a consistent methodology is applied across LECs, as is used in WorldCom's calculation, BellSouth rejects far more WorldCom orders than are rejected by other LECs, as detailed below.

BellSouth also analyzes WorldCom's rejects and suggests that many are WorldCom's fault. Stacy Aff. ¶ 204. To begin with, BellSouth suggests that some of WorldCom's address rejects result from the fact that WorldCom does not transmit an asterisk as part of those orders. Stacy Aff. ¶ 129. But, as WorldCom explained in its reply, BellSouth has acknowledged that orders without the asterisk will flow through without being rejected. It is surprising that BellSouth's OSS affiant does not know this.

BellSouth lists a number of other reject types that BellSouth attributes to WorldCom errors. Stacy Aff. ¶ 204. But many of these rejects are BellSouth's fault.[2] For example, BellSouth indicates that some WorldCom orders are rejected because the house number on the LSR does not match the CSR. But until implementation of BellSouth's migration by TN functionality, BellSouth was not supposed to be comparing the house number to the CSR, only to RSAG. (Even with implementation of migration by TN, it is not at all clear why BellSouth is now editing the house number against the CSR, as well as RSAG). BellSouth's systems should have accepted all house numbers that match the number in RSAG.[3] BellSouth also states that the reject code on a significant subset of WorldCom orders in June 2001 was ERR 7465 – cannot cancel order. But WorldCom did not receive rejects with this code. BellSouth says that other WorldCom orders were rejected because the orders (generally supplemental orders) pertained to accounts that WorldCom did not own. The only reason WorldCom would submit such orders, however, is if WorldCom did not know that it no longer owned the customer – generally because BellSouth failed to transmit the line loss notice for that customer.

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[2] Other rejects described by BellSouth – such as ERR 8209 USOC Combination Is Invalid – involve problems that WorldCom fixed long ago. They cannot explain why WorldCom has continued to experience an extremely high reject rate.

[3] The only time the house number on WorldCom orders would not match those in RSAG is if the WorldCom representative could not obtain the RSAG number because BellSouth's systems are down – in which case the representative asks the customer his house number and types it onto the order.

WorldCom is not saying that all rejects are BellSouth's fault. But many are – as is apparent from the fact that WorldCom's reject rate is far higher in the BellSouth region than elsewhere at a comparable point after WorldCom entered the market. Five months after WorldCom entered the Georgia market – in October 2001, WorldCom's reject rate on migration orders was 26.7%. In Michigan, in contrast, WorldCom's reject rate on migration orders was 8.0% five months after market launch; in Illinois,WorldCom's reject rate on migration orders was 9.5% five months after market launch; it was 10.5% in Pennsylvania; and it was13.3% in Texas. (WorldCom does not have comparable data for New York.)

The high reject rate in Georgia has resulted in large part from BellSouth's failure to implement parsed CSRs or, until very recently, migration by telephone number, as well as from BellSouth's transmission of erroneous rejects. The latter are particularly problematic because WorldCom must expend additional effort attempting to discern why the orders were rejected. BellSouth claims that WorldCom overstates the number of erroneously rejected orders based on an analysis it took of the number of times WorldCom called the LCSC to report erroneous rejects. But WorldCom does not call the LCSC for every erroneous reject. WorldCom calls to understand why a particular type of reject is received, but many times the LCSC tells us less than we already know. We therefore have to call the account team to work this reject (and similar rejects).

BellSouth must fix the systems issues that are contributing to a high reject rate before it gains section 271 authorization.

Loss of Dial Tone

Far too many WorldCom customers lose dial tone within 30 days of migration from BellSouth. BellSouth indicates that relatively few WorldCom customers lose dial tone within five days of migration. It therefore concludes that most cases of lost dial tone experienced by WorldCom customers are unrelated to migration. Ainsworth Reply Aff. ¶¶ 76-81, 194**.**

But KPMG has recently confirmed WorldCom's view that much of the loss of dial tone experienced by WorldCom is related to migration. WorldCom requested that KPMG investigate 48 WorldCom customers who had lost dial tone, many of whom had lost dial tone more than five days after migration. KPMG concluded that 21 of these customers lost dial tone as a result of service order activity (related to migration), many as a result of switch translation problems. See Att. 3. KPMG concluded that for the other 27 customers, KPMG was unable to determine whether the loss of dial tone was caused by service order activity. KPMG's analysis suggests that almost half of WorldCom customers who lose dial tone are doing so as a result of problems associated with migration and that the real number is likely far higher. WorldCom will be working further with KPMG to review these findings and determine next steps.

Moreover, BellSouth's analysis is flawed on its own terms. There is no reason to assume that loss of dial tone that occurs more than five days after migration is unrelated to the migration. To the contrary, there is every reason to assume that it is related to the migration. Approximately 2% of WorldCom customers lose dial tone within 30 days of migration. It is highly unlikely that anywhere near this many customers would lose dial tone in a 30 day period absent the migration. Not surprisingly, BellSouth continues to refuse to provide the retail data that would almost certainly confirm this fact – data showing how many BellSouth retail customers lose dial tone in a given 30 day period – or how many lose dial tone in the 30 days

following an order for a feature change or billing change which would be the equivalent of a UNE-P order.

BellSouth has also refused to provide other data that could support its view that any loss of dial tone caused by migration would occur within the first five days after migration. WorldCom has repeatedly requested information on its customers who have lost dial tone that would show when the two service orders that BellSouth creates from every LSR, the D and N orders, have completed. This would enable WorldCom to determine whether there is a correlation with loss of dial tone. BellSouth generally has refused to provide the data. In at least one instance, however, BellSouth attributed loss of dial tone for a particular WorldCom customer to completion of the two service order process more than two weeks after migration, demonstrating that at least in some cases the impact of that process extends for a significant period of time after migration. And it is also important to note that WorldCom is not claiming that all of the lost dial tone is attributable to the two service order process. We do not have visibility into BellSouth's back-end systems. What we do know is that far too many customers lose dial tone within 30 days of migration and this is almost certainly attributable to some problem or problems with the migration process. [4]

Finally, BellSouth's own data appears to understate the amount of lost dial tone even within five days of migration. BellSouth's data (Ainsworth Reply Aff. ¶ 69, Reply Ex. KLA-21) appear to show twice as many WorldCom orders as did in fact receive completion notices, suggesting that the denominator in BellSouth's calculation is the two service orders it created to migrate the customer, while the numerator is the number of customers losing dial tone. Thus, it appears likely that BellSouth's numbers understate the amount of lost dial tone by half.

BellSouth also appears to implicitly acknowledge that its performance measures do not capture any loss of dial tone caused by the two service order process. Ainsworth Reply Aff. ¶ 81. BellSouth states that before completion of a migration, trouble reports are attributed to BellSouth's retail unit. Thus, before the two service orders have completed, trouble reports would be considered retail troubles – distorting BellSouth's retail troubles upward and CLEC troubles downward.

BellSouth must significantly reduce lost dial tone for CLEC customers before it gains section 271 authority.

Flow Through

BellSouth processes far too many orders manually and processes far too many rejects manually. BellSouth does not deny that even basic UNE-P orders – such as migration orders for

[4] BellSouth attributes a significant portion of loss of dial tone to problems with customer's Customer Premises Equipment or ISW. But BellSouth's data is suspect. BellSouth has closed some trouble tickets claiming the problem is related to ISW or CPE and then, after a second ticket was opened, undertaken repair work on BellSouth's side to eliminate the problem. This has occurred, for example, with customers at 770-909-7681, 770-907-1616, 770-889-5315, 770-888-4543, 770-879-6533. Clearly, the problem on these customers' lines had nothing to do with ISW or CPE.

customers with voice mail or call forwarding fall out for manual intervention. Nor does BellSouth deny that a high percentage of rejects are processed manually.

As WorldCom has repeatedly explained, BellSouth has attributed many of the problems WorldCom has experienced to manual processing, leading WorldCom to believe that the level of manual processing is far higher than is acknowledged by BellSouth. Indeed, BellSouth's analysis of 89 WorldCom orders that fell out for manual intervention revealed that many causes of manual fallout are not among those in BellSouth's list of planned manual fallout.

In response, BellSouth states that its analysis revealed the primary causes of manual fallout to be invalid addresses and failure to populate the LSR correctly, and that it explained manual fallout to Ms. Lichtenberg in an October 17, 2001 letter. Stacy Aff. ¶ 185. But BellSouth fails to respond to WorldCom's detailed analysis in its initial OSS declaration showing that the causes of most of the manual fallout were attributable to BellSouth.

BellSouth also states that many of the errors that caused the 89 orders to fallout "are downstream edits in LESOG and SOCS and are not part of the Service Quality Measurements (SQM) Flow Through calculation." Stacy Aff. ¶ 185. But that is part of WorldCom's point. BellSouth manually processes many orders that it counts as fully automated in its measure of flow through. Regardless of how these orders are counted in the SQM, this high level of manual processing must be reduced.

Line Loss

WorldCom has received more than 1,285 complaints of continued local billing since it launched service in Georgia in May. Lichtenberg Reply Decl. ¶ 45. This appears to be attributable to BellSouth's failure to include a significant number of customers who have migrated away from WorldCom on the line loss reports that it transmits to WorldCom.

Because it is very difficult to determine how many line loss reports WorldCom has not received, we provided two bases for assessing the extent to which our customers (other than the 1,285 who have complained) are being left off the line loss reports. Lichtenberg Decl. ¶¶ 87-89. First, audits of 750 customers, only a small fraction of whom are likely to have left WorldCom, revealed 10 customers that migrated away from WorldCom but for whom a line loss report was never received – suggesting a high percentage of line loss reports are missing. In response, BellSouth asserts that three of these ten customers were switched in error, and that WorldCom agreed that customers who were switched in error did not have to be included on the line loss report. Stacy Reply Aff. ¶¶ 294, 296. Both parts of this claim are incorrect. None of the three customers were switched in error,[5] and, in any event, WorldCom never agreed that customers who were switched in error could be excluded from the report. The report is used as an

[5]The inaccuracy of BellSouth's claim is further apparent from the fact that BellSouth is transmitting line loss reports for some switched-in-error customers. Although BellSouth claims that WorldCom has not provided details on such customers, WorldCom made clear in the November 1 action registry call that 9 of the 14 examples of switched-in-error customers provided by BellSouth had been included on the line loss reports. At BellSouth's request, WorldCom then transmitted the list of the 14 customers to BellSouth so it could verify this (even though the list had originated from BellSouth).

automatic trigger in WorldCom's systems to stop billing, and there is no reason that WorldCom would agree that customers who were switched in error could be excluded from the report, and that WorldCom would separately look each day at a web site to attempt to determine whether some customers were included on the web site who were not included on the line loss report. Finally, it is important to note that BellSouth's response only addresses the three customers who it alleges were switched in error, not the other customers who also were excluded from the line loss report, some of whom BellSouth admits to have been excluded as a result of manual errors. Lichtenberg Decl. ¶ 92.

Second, on 34 trouble tickets that WorldCom submitted for loss of dial tone, the BellSouth technician remarked that the customer had migrated away from WorldCom, yet on 12 of these, WorldCom did not receive a line loss report. BellSouth does not allege that these customers were switched in error. This suggests that BellSouth is failing to transmit line loss reports for more than 1/3 of customers that have migrated away from WorldCom. (BellSouth attempts to confuse the issue by erroneously claiming that WorldCom is suggesting that the loss of dial tone is connected to the missing line loss reports. Stacy Aff. ¶ 297). BellSouth's line loss reports thus appear to be extremely inaccurate – and this is confirmed by the customers who have called in to complain of double billing.

BellSouth's difficulties in returning accurate line loss reports also illustrate another key problem with BellSouth's OSS. Even though WorldCom raised the line loss issue in August, BellSouth's Information Technology organization did not become aware of the problem until November – further illustrating the inadequate assistance BellSouth provides to CLECs.

BellSouth has now finally informed WorldCom that it will attempt to provide WorldCom the missing line loss reports for the past 60 days – but not those that are older than 60 days. On December 5, BellSouth provided the line loss recovery file from October 1 through December 1 and it included 2,744 customers! WorldCom has no way of knowing if this file is complete. Moreover, customers who left prior to October 1 and were left off of the line loss reports – apparently a high number judging from the 2,744 left off after October 1 – are likely still being double billed due to BellSouth's insufficient reporting.

More important, BellSouth still has not provided WorldCom with a date for changing their line loss reporting process on a going forward basis to ensure that it will include all customers who leave WorldCom. Until then, customers likely will be double billed between the time they leave WorldCom and the time BellSouth provides a recovery file showing which customers it has left off of the line loss reports.

Interactive Agent

Use of a Value Added Network ("VAN") delays transmission of orders, as well as FOCs, rejects, and completion notices between WorldCom and BellSouth – delays that are not captured in BellSouth's performance measures. It also makes it far more difficult to track notifers that are missing – issues WorldCom has repeatedly explained to BellSouth, despite BellSouth's claim to the contrary. Stacy Reply Aff. ¶ 304. Yet BellSouth, alone among the BOCs, has refused to adopt Interactive Agent, the industry standard mode of transmission.

BellSouth claims that WorldCom could use Connect Direct instead of the VAN – a suggestion it did not make until a deposition at the end of September. BellSouth asserts that

WorldCom is intimately familiar with Connect Direct because of its use for special access ordering and transmission of line loss reports. Stacy Aff. ¶ 297. But it is exactly that familiarity that makes WorldCom aware of the limitations of Connect Direct as a method for transmitting local orders.

BellSouth also asserts that what WorldCom is really requesting is EDI pre-ordering. Stacy Reply Aff. ¶ 200. That is not so. While WorldCom strongly believes that BellSouth should offer EDI pre-ordering, as other BOCs do, BellSouth could offer Interactive Agent to transmit orders and provisioning notices without offering EDI pre-ordering. WorldCom's change request was for Interactive Agent alone, and it was BellSouth that combined that request with a request from another carrier for EDI pre-ordering.

Missing Notifiers

BellSouth argues that the percentage of notifiers that WorldCom is missing is relatively low. But this is largely due to the efforts of WorldCom in explaining to BellSouth how to look for the notifiers and continually prodding BellSouth to return them. WorldCom is forced to perform a daily "true-up" with BellSouth to ensure all notifiers have been sent. Contrary to BellSouth's claim, Stacy Reply Aff. ¶ 301, WorldCom checks each and every report before opening up a trouble ticket with BellSouth.

WorldCom discussed the missing notifier problem largely as an example of the difficulties of dealing with BellSouth. The fact that BellSouth has finally – and perhaps temporarily – succeeded in reducing the number of missing notifiers does not show otherwise. BellSouth does deny that it refused to re-flow notifiers except in conjunction with a release. Stacy Reply Aff. ¶ 300. WorldCom hopes this statement articulates a change in policy, because it certainly is not an accurate description of BellSouth's policy in the past. Indeed, minute meetings from as late as November 15 reflect that according to BellSouth "some reflows may require a release." See Att. 4. Finally, it is important to note that the number of missing notifiers has continued to increase in recent weeks.

Double FOCs

In its November 29 ex parte, BellSouth states that 2.3% of UNE-P orders region wide received a double FOC between October 29 and November 27, 2001. That is a significant number. And it is consistent with WorldCom's experience. Since WorldCom launched service in May 2001, BellSouth has transmitted double FOCs on 2.8% of WorldCom's orders. Even worse, BellSouth has transmitted rejects after FOCs on 1% of WorldCom's orders since launch. Finally, BellSouth has transmitted some completion notices with the wrong status number – 855 instead of 865, which prevents WorldCom's systems from recognizing the notices as completion notices and processing the notices.

Billing

There are a number of important billing defects in BellSouth's systems that remain unaddressed – problems that have not existed in other section 271 applications considered by the Commission. BellSouth's response to WorldCom's description of these problems is inadequate.

Moreover, BellSouth is largely silent on the deeper problem described in WorldCom's filings – its lack of responsiveness to WorldCom billing problems.

With respect to the Daily Usage Feed, as of November 1, BellSouth had transmitted erroneously transmitted 28,750 intraLATA records over the past 90 days. Although BellSouth attempts to minimize the erroneous records that existed as of the time of WorldCom's original declaration, the numbers have increased substantially since then. BellSouth responds by stating that for many of these records, its bills were correct – it was its switch translations that were inaccurate. BellSouth carried the calls instead of the intraLATA carrier chosen by the customer, and thus BellSouth's bills reflect that it carried the calls. Scollard Reply Aff. ¶ 2. That is hardly a defense. The switch translation errors acknowledged by BellSouth are reducing the revenue of intraLATA carriers and leading BellSouth to bill CLECs for records they would not receive in the absence of these errors.

BellSouth also asserts that some of these calls were mobile calls and that this somehow shows the billing was appropriate. BellSouth's response does not include sufficient detail to assess its claim. If BellSouth had responded to WorldCom's communications to its account team and billing SME's on this issue, rather than responding only in its reply affidavit, perhaps the parties could have gotten to the bottom of this issue.[6]

WorldCom has no effective means to communicate problems with the DUF to BellSouth. Although BellSouth claims it has such a process, Scollard Reply Aff. ¶ 4, WorldCom has attempted to use that process and has been unsuccessful. A far more effective process would be an outcollect process, used by other BOCs, not only because it would be electronic, but also because it would provide BellSouth all the records that were in error. Lichtenberg Decl. ¶¶ 112-14. But WorldCom is willing to consider alternative processes that would be effective. BellSouth has not proposed any alternatives, however.

In addition to problems with the DUF, BellSouth has extensive problems with its wholesale bills. As we explained, six and a half percent of the lines for which WorldCom was billed did not include a BTN, which prevents us from determining whether bills on these lines were proper. (Lichtenberg Decl. ¶ 103). BellSouth states that WorldCom did not provide it sufficient details to investigate this claim and that it requested such information from WorldCom. Scollard Reply Decl. ¶ 103. It is not clear what details BellSouth needs – it can readily determine from the bill which BTNs are missing. In any event, WorldCom has submitted numerous claims to BellSouth regarding missing BTNs on bills, and BellSouth is still reviewing the claims. See Att. 5. WorldCom also has sent BellSouth several spreadsheets showing BellSouth what WorldCom receives from BellSouth and showing that BTNs are missing. See Att. 6.

Another problem with BellSouth's wholesale bills is that BellSouth is not using the correct billing number to bill WorldCom for UNE-P usage. BellSouth disagrees and indicates that its bill for the Atlanta metropolitan area includes area codes other than 770. Scollard Reply

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[6] With respect to the formatting problem that existed in July, BellSouth states that it corrected the problem and offered to re-transmit the erroneously formatted records to WorldCom but that WorldCom refused. But BellSouth's offer was not that it would re-transmit those specific records but that it would retransmit the entire DUF file, including the previously erroneous records, so that many records would drop off as duplicates.

Aff. ¶ 8. But WorldCom's complaint was not that usage from outside Atlanta was improperly included on the Atlanta bill but rather that usage from the Atlanta area (area codes 770, 678, and 404) was included on the non-Atlanta bill (BAN 706Q96006006). BellSouth does not deny that this was so. WorldCom requested that BellSouth fix this problem after WorldCom received its very first bill. The spreadsheets WorldCom has sent to BellSouth further show usage from the Atlanta area included on the non-Atlanta bill. But BellSouth still has not fixed the problem.

Aside from issues with the DUF and with wholesale bills, there are more general issues with BellSouth's billing systems. As we have explained, CLEC orders sometimes drop into a BellSouth hold file before BellSouth's billing systems are updated – which leads to the potential for double billing. BellSouth says that WorldCom has not provided specific examples in which this has occurred. But WorldCom has provided numerous examples of orders for which we have received completion notices but for which BellSouth has not updated the CSR. We believe that in many instances, the cause of this problem is that orders have dropped into the hold file, but since no one at BellSouth has answered our questions we cannot determine whether this is the root cause of the problem. Mr. Scollard originally told CLECs it there was a report that would show CLECs which orders were in the hold file, but BellSouth has not made the report available even though CLECs have asked for it repeatedly.

BellSouth also continues to refuse to provide Billing Completion Notices. Although BellSouth is correct that SBC also has not provided such notices to date, SBC intends to deploy BTNs throughout its region in February. Once again, therefore, BellSouth continues to refuse to agree to what other BOCs have made standard.

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Pursuant to the Commission's rules, I am filing an electronic copy of this letter and request that it be placed in the record of this proceeding.

Sincerely,

Keith L. Seat
Senior Counsel
Federal Advocacy

cc: Dorothy Attwood, Jeff Carlisle, Michelle Carey, Kathy Farroba, Jessica Rosenworcel, Aaron Goldberger, Renee Crittendon, Christopher Libertelli, Susan Pie, Leon Bowles (GPSC), Arnold Chauviere (LPSC), James Davis-Smith (DOJ), Qualex International